



**Division of Integrated Health Systems, Family and Children's Health Programs Group**

Mr. Michael E. Lewis  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Montgomery, Alabama 36103-5624

Dear Mr. Lewis:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving Alabama's request for a two year continuation of its Primary Care Case Management program, Patient 1<sup>st</sup>, authorized under section 1915(b) (1) of the Social Security Act. This approval allows for the waiver of the following sections of the Act: 1902(a)(10)(B) comparability of services and 1902(a)(23) freedom of choice.

I have based my decision on the evidence submitted showing that the program is consistent with the purpose of the Medicaid program, has met the statutory and regulatory requirements for access to care and quality of services, and will continue to be a cost effective means of providing health care services to Alabama's Medicaid program.

Unless significant problems are identified in the future, the State will not be required to arrange for an independent assessment. However, the State will continue to be responsible for documenting the cost effectiveness, access and quality factors in subsequent renewal periods.

In addition, this approval is contingent on the following conditions:

1. The Agency is in the process of developing a work plan to change all beneficiary information to indicate that no restrictions may be placed on access to emergency care. Please submit to CMS a timetable for accomplishing this change. Also, please submit to CMS copies of all revised patient education materials.
2. For future renewals, the cost effectiveness calculations will be made on both the aggregate level and a per-member -per month (PMPM) basis, broken down by eligibility category and cost category. Additional administrative waiver costs will also be shown in the cost effectiveness test.

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Approval of this waiver covers a two-year period, from February 19, 2002 to February 18, 2004. Alabama may request that this authority be renewed and should submit its request for renewal 90 to 120 days in advance of the expiration date.

We appreciate the State's efforts in continuing this program, which provides for accessible, quality and cost-effective health care for Medicaid beneficiaries, and wish you much success in your continuing activities in this area. If you have any questions regarding this action, please contact Tandra Hodges in the CMS Atlanta Regional Office, Division of Medicaid and State Operations, at (404) 562-7409.

Sincerely,

Michael Fiore  
Director

Cc: Eugene Grasser, CMS Region IV, Atlanta  
Tandra Hodges, CMS Region IV, Atlanta